

Long-Term Perspective

June 22, 2018

Top-Ten Portfolio

We have created a high-quality portfolio of stocks with a focus on growth and attractive yields.

NOTE: The Top-Ten Portfolio has a long-term perspective. As such, we will update it once a week, using Friday's closing prices. Also, it will be essentially a Buy-and-Hold portfolio, with minimal trading involved. The portfolio will always be fully invested.

The initial investment will be a total of \$500,000. To begin with, each of the ten stocks has an equal weighting, meaning the dollar amount of each holding will be approximately \$50,000. If a stock is sold, the replacement stock will begin with the amount of the closing proceeds of the stock sold.

We will conduct a portfolio assessment on a regular basis to determine whether changes should be made.

THIS WEEK'S COMMENT: As mentioned last week, we sold the Canadian Tire holding as the stock had reached the Third Target Price, and did so relatively quickly. We also mentioned that we were watching Extencicare, and said that if it closed this week below last week's \$7.42 we would sell. Well, it closed at \$7.44 so we still have it in the portfolio but its inclusion is tenuous. Also under the microscope are Shawcor, Manulife, and Enbridge. We have not replaced the Canadian Tire holding as yet, so we currently have a Top Nine.

The current portfolio is presented below.

TOP TEN		Share Price Information		As at: 22-Jun-18			Inception: 02-Jan-18	
Company	Symbol	Purchase Price	Current Price	First Target	Second Target	Third Target	% Inc. to 1st Target	% Inc. to 2nd Target
1 Algonquin Power & Utilities Corp.	AQN	\$14.03	\$12.77	\$13.70	\$14.00	\$14.30	7.3%	9.6%
2 Enbridge Inc.	ENB	\$43.50	\$42.15	\$45.30	\$46.88	\$48.45	7.5%	11.2%
3 Enercare Inc.	ECI	\$17.21	\$18.23	\$18.00	\$18.75	\$19.50	-1.3%	2.9%
4 Extencicare Inc.	EXE	\$7.61	\$7.44	\$8.20	\$8.60	\$9.00	10.2%	15.6%
5 Keyera Corp.	KEY	\$35.37	\$36.98	\$37.50	\$39.00	\$40.50	1.4%	5.5%
6 Manulife Financial Corporation	MFC	\$26.19	\$25.15	\$27.35	\$28.13	\$28.90	8.7%	11.8%
7 Shawcor Ltd.	SCL	\$27.43	\$25.47	\$28.90	\$29.70	\$30.50	13.5%	16.6%
8 Thomson Reuters Inc.	TRI	\$52.12	\$54.08	\$56.25	\$59.38	\$62.50	4.0%	9.8%
9 Vermilion Energy Inc.	VET	\$42.74	\$46.45	\$46.88	\$48.45	\$50.00	0.9%	4.3%

NB: **Green** negative percentage numbers denote a stock price that has exceeded the Price Target.

NB: The Analyst, either **directly** or **indirectly**, currently owns shares in **Keyera Corporation** and **Shawcor Ltd.**

The performance of these stocks is provided in the table below.

<continued>

TOP TEN

Portfolio Performance

As at: 22-Jun-18

Initiation: 02-Jan-18

<u>Company</u>	<u>Symbol</u>	<u>Purchase Date</u>	<u>Number of Shares</u>	<u>Purchase Price</u>	<u>Current Price</u>	<u>Purchase Cost</u>	<u>Current Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>
1 Algonquin Power & Utilities Corp.	AQN	02-Jan-18	3,564	\$14.03	\$12.77	\$50,000	\$45,510	-\$4,490	-9.0%
2 Enbridge Inc.	ENB	09-Feb-18	1,150	\$43.50	\$42.15	\$50,025	\$48,473	-\$1,553	-3.1%
3 Enercare Inc.	ECI	12-Apr-18	2,905	\$17.21	\$18.23	\$49,995	\$52,958	\$2,963	5.9%
4 Extencicare Inc.	EXE	07-Jun-18	6,576	\$7.61	\$7.44	\$50,043	\$48,925	-\$1,118	-2.2%
5 Keyera Corp.	KEY	02-Jan-18	1,414	\$35.37	\$36.98	\$50,013	\$52,290	\$2,277	4.6%
6 Manulife Financial Corporation	MFC	02-Jan-18	1,909	\$26.19	\$25.15	\$49,997	\$48,011	-\$1,985	-4.0%
7 Shawcor Ltd.	SCL	02-Jan-18	1,823	\$27.43	\$25.47	\$50,005	\$46,432	-\$3,573	-7.1%
8 Thomson Reuters Inc.	TRI	08-Jun-18	959	\$52.12	\$54.08	\$49,983	\$51,863	\$1,880	3.8%
9 Vermilion Energy Inc.	VET	17-Apr-18	1,170	\$42.74	\$46.45	\$50,006	\$54,347	\$4,341	8.7%
Stock Totals						\$450,067	\$448,808	-\$1,259	-0.3%
						Stock Annualized Return:			-0.6%
Cash						\$49,933	\$49,933		
Cumulative Dividend Payments							\$6,379		
Net Trading Profits							\$32,802		
Portfolio Totals						\$500,000	\$537,921		7.6%
						Portfolio Annualized Return:			15.7%
S&P/TSX COMPOSITE INDEX						16,209.13	16,450.14	241.01	1.5%
						S&P/TSX Comp. Annualized Return:			3.1%
S&P/TSX 60 INDEX						959.70	973.88	14.18	1.5%
						S&P/TSX 60 Annualized Return:			3.1%

Here is a list of the stocks sold to date, since inception on January 2, 2018:

Stocks Sold

<u>Company</u>	<u>Purchase Date</u>	<u>Selling Date</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Purchase Cost</u>	<u>Selling Value</u>	<u>\$ Gain or (Loss)</u>	<u>% Gain or (Loss)</u>	<u>Number of Shares</u>	<u>Cum. Gain or (Loss)</u>
Thomson Reuters Corporation	02-Jan-18	30-Jan-18	\$54.80	\$59.05	\$49,978	\$53,851	\$3,874	7.8%	912	\$3,874
Shopify Inc.	02-Jan-18	30-Jan-18	\$127.32	\$159.99	\$50,037	\$62,876	\$12,839	25.7%	393	\$16,713
Shopify Inc.	02-Feb-18	15-Feb-18	\$143.79	\$168.51	\$56,509	\$66,224	\$9,715	17.2%	393	\$26,428
Parkland Fuel Corporation	02-Jan-18	09-Apr-18	\$26.89	\$28.62	\$50,015	\$53,233	\$3,218	6.4%	1,860	\$29,646
Bank of Montreal	02-Jan-18	17-Apr-18	\$100.59	\$95.43	\$49,993	\$47,429	-\$2,565	-5.1%	497	\$27,081
ARC Resources Ltd.	02-Jan-18	14-May-18	\$14.96	\$13.44	\$49,996	\$44,916	-\$5,080	-10.2%	3,342	\$22,001
Goldcorp Inc.	02-Jan-18	07-Jun-18	\$16.24	\$18.40	\$50,003	\$56,654	\$6,651	13.3%	3,079	\$28,652
Saputo Inc.	02-Jan-18	08-Jun-18	\$41.35	\$41.53	\$49,992	\$50,210	\$218	0.4%	1,209	\$28,870
Canadian Tire Corporation	14-May-18	18-Jun-18	\$163.15	\$176.00	\$49,924	\$53,856	\$3,932	7.9%	306	\$32,802

<continued>

Below, we provide a table that indicates the annual dividend, the corresponding annual income and equity yields, and the dividend pay-outs to date since inception. This table is updated at the end of each month. These totals are as at June 22, 2018:

TOP TEN

Annual Income/Yield

As at: 22-Jun-18

Company	Purchase Price	Current Price	Annual Dividend	Annual Income	Purchase Yield	Current Yield	Payment Fr	Months	Period Payout	Pay-Out To Date
1 Algonquin Power & Utilities Corp.	\$14.03	\$12.77	\$0.51	\$1,828	3.7%	4.0%	Q	M/J/S/D	\$457	\$415
2 Enbridge Inc.	\$43.50	\$42.15	\$2.68	\$3,087	6.2%	6.4%	Q	F/M/A/N	\$772	\$1,543
3 Enercare Inc.	\$17.21	\$18.23	\$1.00	\$2,900	5.8%	5.5%	M	15th	\$242	\$483
4 Extencare Inc.	\$7.61	\$7.44	\$0.48	\$3,156	6.3%	6.5%	M	27th	\$263	\$0
5 Keyera Corp.	\$35.37	\$36.98	\$1.68	\$2,376	4.7%	4.5%	M	22nd	\$198	\$990
6 Manulife Financial Corporation	\$26.19	\$25.15	\$0.88	\$1,680	3.4%	3.5%	Q	F/M/A/N	\$420	\$840
7 Shawcor Ltd.	\$27.43	\$25.47	\$0.60	\$1,094	2.2%	2.4%	Q	M/M/A/N	\$273	\$547
8 Thomson Reuters Inc.	\$52.12	\$54.08	\$1.83	\$1,756	3.5%	3.4%	Q	F/M/A/N	\$439	\$0
9 Vermilion Energy Inc.	\$42.74	\$46.45	\$2.76	\$3,229	6.5%	5.9%	M	28th	\$269	\$538
Portfolio Totals				\$16,120	3.6%	3.6%				\$4,819
Dividends, Companies Sold										\$1,560
Total Dividends Received										\$6,379

Comparison

For comparative purposes, the following graph depicts the performance, since initiation, of the eResearch portfolio (BLUE line) and the stock portion only (heavy PURPLE line) against the S&P/TSX Composite Index (PINK line) and the S&P/TSX 60 (GREEN line).

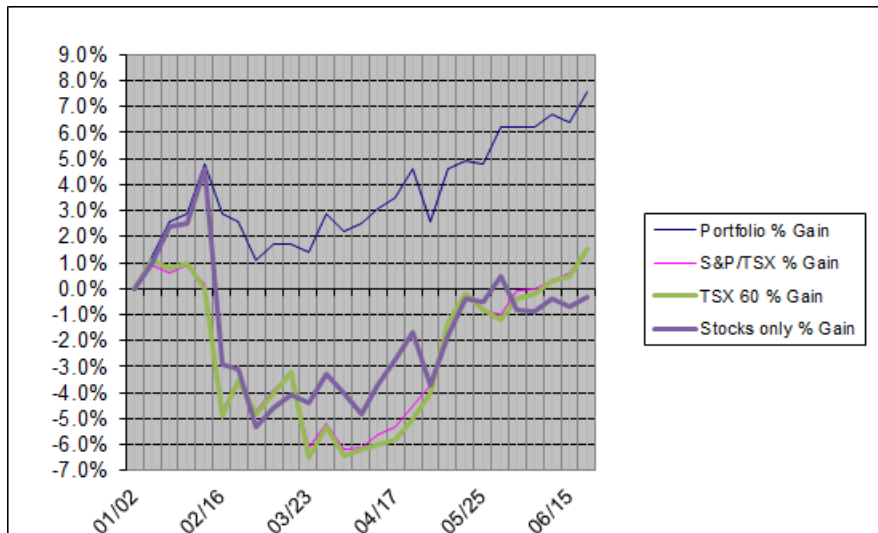
The portfolio is performing much better than either of the market indexes, (trading profits!):

Portfolio performance = +7.6% (includes dividends and trading profits)

Stock portion only = -0.3% (current stocks in the portfolio)

S&P/TSX Composite = +1.5%

S&P/TSX 60 = +1.5%



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